

IN THE CLAIMS

1. (Currently Amended) An electronic exchange system for processing cash letter adjustments between a plurality of authorized financial institutions, including a sender institution, a receiver institution and a central exchange center, said system comprising:

means for entry of adjustment data into said system, said data including sender institution information, receiver institution information, adjustment amount information, and data validation information, said data relating to cash letter adjustments between the sender institution and the receiver institution,

processor means for processing said adjustment data at said central exchange center to make an electronic settlement determination, said processing means including means for validation of said data, said processing means including sorting means for sorting said data by sender institution and receiver institution, and,

notification means for notifying said sender institution and said receiver institution, which are involved in the cash letter adjustments, of adjustment data, including at least settlement information, after successful validation by said processing means.

2. (Previously Presented) The system of claim 1 wherein said processor means includes calculation means for determining net adjustments between said sender institution and said receiver institution.

3. (Currently Amended) The system of claim 2 wherein said ~~notification means includes notifying said central exchange of said net adjustment, said~~ central exchange including center includes an account system for adjustment of accounts of said sender institution and said receiver institution by said net adjustment amount.

4. (Previously Presented) The system of claim 1 wherein said adjustment data includes one or more adjustment transactions selected from the group: enclosed items not listed, listed items not enclosed, encoding errors, misread errors, documentation errors, and requests for information.

5. (Previously Presented) The system of claim 4 wherein said data includes information selected from the group: the date of submission, sender routing number, sender institution name, and receiver institution name.

6. (Previously Presented) The system of claim 1 wherein said validation information includes a series of business rules and information requirements utilized by said processor means.

7. (Previously Presented) The system of claim 6 wherein said business rules include amount limits on adjustment for different member institutions.

8. (Previously Presented) The system of claim 4 wherein said listed items not enclosed adjustment includes at least two or more of the following data: total amount of adjustment; cash letter creation date; cash letter type; cash letter total dollar value listed; missing item adjustment; missing bundle adjustment; tape listing type; tape total dollar.

9. (Previously Presented) The system of claim 8 wherein said listed items not enclosed includes itemization of the dollar amount of the specific item or bundle; the dollar amount of the item before the subject item; the dollar amount after the subject item; and the sequence/trace number that was applied to the item in the cash letter preparation process.

10. (Previously Presented) The system of claim 9 wherein said data validation requires that the combined total of all “item before” and “item after” amounts entered cannot exceed the amount entered in the “bundle/tape” total field of the transaction section.

11. (Previously Presented) The system of claim 4 wherein said adjustment data includes one or more adjustment transactions selected from the group: empty carrier; error in addition; misdirected return; non-negotiable item; “not our item”; “photo in lieu of original”; “photo: original paid”; free item; and reversal.

12. (New) The system of claim 1, wherein said notification means also is for notifying a Federal Reserve Bank of at least the settlement information.

13. (New) An electronic exchange system, comprising:
a central exchange; and
a plurality of authorized financial institutions, including at least a first institution and a second institution, each arranged to provide adjustment data relating to cash letter adjustments between the sender institution and the receiver institution, to the central exchange,
wherein the central exchange processes the adjustment data provided from at least one of the first institution and the second institution, to make an electronic settlement determination based on the adjustment data, and notifies the at least one of the first institution and the second institution of settlement information based on the settlement determination.

14. (New) The system of claim 13, wherein the central exchange also notifies a Federal Reserve Bank of the settlement information.

15. (New) The system of claim 13, wherein the central exchange determines net adjustments between the first institution and the second institution.

16. (New) The system of claim 13, wherein the central exchange includes an account system for adjustment of accounts of the first institution and the second institution by a net adjustment amount.

17. (New) The system of claim 13, wherein the adjustment data relates to one or more transactions that include at least one of enclosed items not listed, listed items not enclosed, encoding errors, misread errors, documentation errors, and requests for information.

18. (New) The system of claim 17, wherein the adjustment data also includes information defining at least one of a date of submission, a sender routing number, and at least one institution name.

19. (New) A method for processing cash letter adjustments between a plurality of authorized financial institutions, including at least a first institution and a second institution, the method comprising:

providing adjustment data, relating to cash letter adjustments between the first institution and the second institution, from at least one of the first and second institutions to the central exchange,

processing, at the central exchange, the adjustment data provided from at least one of the first and second institutions to make an electronic settlement determination based on the adjustment data; and

notifying at least one of the first institution and the second institution of settlement information based on the settlement determination.

20. (New) The method of claim 19, further comprising notifying a Federal Reserve Bank of the settlement information.